

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 47**

January 14, 2009

**SUMMARY OF BILL:** Authorizes local governments to implement a tax freeze program for eligible taxpayers who are totally and permanently disabled. Also outlines requirements for the program and requires the State Board of Equalization to adopt any necessary rules or policies.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$20,000/One-Time**

**Decrease Local Revenue – Exceeds \$26,000/Permissive/  
FY10-11 and Succeeding Years**

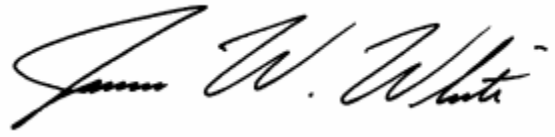
**Increase Local Expenditures - \$50,000/Permissive**

**Assumptions:**

- According to the Comptroller, approximately 55 local governments will enact a tax freeze program for the disabled for the tax year beginning January 1, 2009.
- All disabled taxpayers who currently qualify for the State Property Tax Relief program will also qualify for the local tax freeze program.
- Approximately 7,112 taxpayers will qualify as disabled.
- When a property tax rate increase occurs in 2010, one third of the 7,112 taxpayers (approximately 2,370) would have seen an increase of \$11 in their tax rate. Local governments will experience a decrease in local revenue of at least \$26,070 (2,370 x \$11).
- State expenditures will experience a one-time increase of \$20,000 for the State Board of Equalization's programming costs associated with implementing the necessary rules and policies.
- Local expenditures will experience a permissive increase of \$50,000 for the cost of creating and implementing the tax freeze program.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/kmc